

Date Mailed February 14, 2001
----------------------------------

BEFORE THE  
  
PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of Wisconsin Electric Power Company for Approval of  
Plan to Improve Reliability Through Infrastructure and Incentives  
and Request for Rate Increase for Test Year 2000

6630-UR-111

**NOTICE OF FURTHER HEARING**

<b>Direct Testimony Due:</b>	<b>Tuesday, March 13, 2001 – Noon</b>
<b>Rebuttal Testimony Due:</b>	<b>Wednesday, March 21, 2001 – Noon</b>
<b>Hearing Dates/Locations:</b>	<b>Friday, March 23, 2001 – 9:00 a.m.</b>  <b>Public Service Commission, 610 North Whitney Way, Madison, WI (Amnicon Falls Hearing Room – 1<sup>st</sup> Floor)</b>  <b>Monday April 2, 2001 – 1:00 p.m. and 7:00 p.m.</b>  <b>Serb Hall (Wisconsin North Hall), 5101 West Oklahoma Avenue, Milwaukee, WI.</b>

On September 17, 1999, Wisconsin Electric Power Company (WEPCO or Company) filed an application with the Commission under Wis. Stat. §§ 196.03, 196.20, and 196.37, for authority to increase rates for electric and natural gas service. This application was docketed as 6630-UR-111.

The Commission issued a final decision in docket 6630-UR-111 on August 30, 2000, (Order). The Order contained a forecast of fuel costs, established fuel cost variance ranges, and imposed fuel cost monitoring in accordance with Wis. Admin. Code § PSC 116.04.

Pursuant to Wis. Admin. Code §§ PSC 116.03(1) and 116.06, an extraordinary rate increase can be granted only if the utility's actual monthly fuel costs exceed the ranges set in its rate proceeding and the annual fuel costs will be affected so as to exceed the annual range, and the increase in fuel costs was caused suddenly by forces beyond the utility's control or reasonable foresight. On December 22, 2000, the Commission issued its Order of the Public Service Commission Adopting Emergency Rules In docket 1-AC-202 to amend Wis. Admin. Code §§ PSC 116.06(1) and 116.06(2), relating to the triggering mechanism and the period of

time in which fuel costs are estimated for purpose of seeking an emergency or extraordinary rate increase under Wis. Admin Code §§ PSC 116.06(1) and 116.06(2). The emergency rule allows a utility to seek a rate increase based on fuel cost projections for the year in which it is reasonably anticipated that the rate increase would go into effect, provided those fuel estimates would exceed the utility's annual range.

Appendix D of the Order contains the monitored monthly fuel costs by fuel cost per net kWh produced and the cumulative monthly cost per kWh. On December 8, 2000, WEPCO filed an application for a rate increase under Wis. Admin. Code § PSC 116.06. WEPCO asserted that its fuel costs have exceeded the cumulative ranges and it will exceed its annual variance for both 2000 and 2001. WEPCO requested an increase of \$51.4 million on a retail basis for 2001. WEPCO requested that the surcharge be implemented on an interim basis, or the increased fuel costs be deferred, if the proposed surcharge could not be implemented by February 1, 2001. Therefore, the Commission reopened docket 6630-UR-111 under Wis. Stat. § 196.39 to consider the company's application for an increase in rates. In supplemental testimony filed January 17, 2001, WEPCO requested an additional \$11.1 million, for a total requested increase of \$62.5 million. On February 1, 2001 the Commission issued an order granting the implementation of a surcharge of \$37.8 million, on a retail basis for 2001, subject to refund with interest, and pending the results of a review of the company's filing and a hearing on the final fuel rate increase.

**NOTICE IS GIVEN** that hearings will be held for technical witnesses on Friday, March 23, 2001, at 9:00 a.m. in the Amnicon Falls Hearing Room at the Public Service Commission Building, 610 North Whitney Way, Madison, Wisconsin; and continuing at times to be set by the presiding Administrative Law Judge. This building is accessible to people in wheelchairs through the Whitney Way first floor (lobby) entrance. Parking for people with disabilities is available on the south side of the building. Hearings will be held for public witnesses on Monday, April 2, 2001, at 1:00 p.m. and 7:00 p.m. in Serb Hall (Wisconsin North Hall), 5101 West Oklahoma Avenue, Milwaukee, WI. Handicap parking is located at the west side of the building (front door entrance). Any person with a disability who needs additional accommodations should contact the case coordinator listed below.

This hearing will be conducted for the limited purpose of:

1. Determining what portion of the interim rate relief granted, if any, shall be refunded to WEPCO's ratepayers.
2. Determining what permanent relief is available, based on changes found in WEPCO's fuel costs.
3. Altering the forecast of fuel costs and the fuel cost variance ranges imposed by the Order, based on changes found in WEPCO's fuel costs.

Docket 6630-UR-111

The Commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this proceeding or who needs to obtain this document in a different format should contact the case coordinator listed below.

The utility is responsible for giving notice to its customers of the filing of its application with the Commission and, pursuant to Wis. Admin. Code § PSC 2.73, for producing proof of notice at the hearing.

Questions from the media may be directed to Jeffrey L. Butson, Public Affairs Director at (608) 267-0912.

Questions regarding this matter may be directed to case coordinator Michael A. Ritsema at (608) 267-9296.

Dated at Madison, Wisconsin, \_\_\_\_\_

By the Commission:

\_\_\_\_\_  
Lynda L. Dorr  
Secretary to the Commission

LLD:MAR:mem:g:\notice\pending\6630-UR-111 Hearing.doc